

Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 IGA-02 PM-04 NSC-05 SP-02 SS-15 AID-05

L-03 CIAE-00 INR-07 NSAE-00 EUR-12 EB-07 ACDA-05

OMB-01 PRS-01 /080 W

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R 141055Z JAN 76

FM AMEMBASSY TEHRAN

TO SECSTATE WASHDC 5110

INFO SECDEF WASHDC

CNO WASHDC

DIA WASHDC

USCINCEUR VAIHINGEN GER

C O N F I D E N T I A L TEHRAN 0361

E.O. 11652: GDS

TAGS: MORG, IR

SUBJECT: IIN SCANDAL

REFS:(A) ARMISH/MAAG MSG 041537Z JAN 76; (B) ARMISH/MAAG
MSG 071533Z JAN 76; (C) ARMISH/MAAG 111533Z JAN 76

1. ALTHOUGH WE STILL DO NOT HAVE PRECISE INFORMATION ON
CHARGES AGAINST NAVAL OFFICERS AWAITING TRIAL FOR CORRUPTION,
NUMBER OF REPORTS CIRCULATING IN TEHRAN SUGGEST OUTLINE OF
EVENTS.

2. AS REPORTED REFTELS, THREE ADMIRALS HAVE NOW BEEN IMPLI-
CATED IN CORRUPTION CHARGES. WORD HAS IT THAT OTHERS WILL
SUFFER SAME FATE. MOST RELIABLE INFORMATION IS THAT POSSIBLY
15 OFFICERS HAVE BEEN CONFINED, ALTHOUGH ONE REPORT FROM A
WELL-INFORMED OBSERVER STATES 44 UNDER DETENTION. PRESS OF
JANUARY 13 CARRIES A STORY THAT COMMANDER SHAFATIE IN CHARGE
ON IIN COMPUTER PROGRAM COMMITTED SUICIDE AFTER MAKING
CONFESSION OF GUILT. WE UNDERSTAND THAT HE WAS OFFICER
WHO FINGERED ADMIRAL ATTAIE AND RAFII.

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3. ALTHOUGH THERE ARE WIDESPREAD RUMORS THAT EXTRAVANGANCES

OF ADMIRAL ATTAIE'S WIFE LED TO HIS DOWNFALL, WE ARE VERY RELIABLY INFORMED THAT HE WAS ARRESTED AFTER HAVING BEEN FOUND TO HAVE TAKEN MONEY FROM ITALIAN FIRM IN CONNECTION WITH IIN PROCUREMENT OF DEA KILLER MISSILES. TWO OTHER REPORTS FROM GOOD SOURCES GIVE INDICATION OF EXTENT OF INVESTIGATION. ONE IS THAT INQUIRY INTO CUSTOMS FRAUD IN IIN PERSONNEL DEPARTMENT LED TO ARREST OF JUNIOR OFFICERS WHO THEN IMPLICATED OFFICERS IN CONSTRUCTION PROGRAM WHICH LED TO CHARGES AGAINST SENIOR ADMIRALS. ANOTHER REPORT IS THAT IRANIAN CONTRACTOR COMPLAINED THAT BIDS WERE BEING OPENED PREMATURELY BY IIN TO GIVE ADVANTAGES TO CERTAIN FIRMS. INVESTIGATION OF CONSTRUCTION DEPARTMENT LED TO EVIDENCE AGAINST ADMIRALS ATTAIE AND RAFII. IN ANY EVENT, BOTH OF THOSE OFFICERS AND THE FORMER'S BORTHER, AN AGENT/ BUSINESSMAN, HAVE LONG HAD NOTORIOUS REPUTATIONS FOR TAKING IMPROPER PAYMENTS. NO AMERICANS HAVE AS YET BEEN IMPLICATED IN CHARGES. THERE IS INDICATION THAT INVESTIGATION IS EXTENDING TO CHAH BAHAR PROJECT AND THAT BRITISH FIRM NOW IN LINE FOR HALF OF WORK MAY HAVE BEEN INVOLVED IN SHADY PRACTICES.

4. WE ARE ALSO BEGINNING TO HEAR REPORTS THAT SIMILAR INVESTIGATION IS UNDERWAY IN IIAF AND THAT ONE BRIGADIER GENERAL HAS BEEN RELIEVED OF HIS POST. IT SEEMS THERE MAY BE INQUIRY INTO AFFIARS OF LATE GENERAL KHATAMI WHOSE REPUTATION IN THIS REGARD WAS NONE TOO GOOD. IT IS EVIDENT THAT GENERAL TADAYON, IIAF COMMANDER, IS SCRUPULOUSLY REVIEWING ALL EXPENDITURES, PARTICULARLY FOR CONSTRUCTION PROJECTS, TO ASSURE ABSENCE OF CORRUPT INFLUENCES.

5. INITIALLY THERE WAS WILD RUMOR THAT IIN OFFICERS WERE RELIEVED BECAUSE OF COUP PLOTTING. WE HAVE ABSOLUTELY NO EVIDENCE TO SUBSTANTIATE SUCH A CHARGE AND CONSIDER IT PREPOSTEROUS.

6. IMMEDIATE CONSEQUENCE OF IIN SCANDAL SHOULD BE DRASTIC SLOWDOWN IN CURRENT PROGRAMS AND ADDITIONAL INITIATIVES UNTIL NEW LEADERSHIP HAS ESTABLISHED ITSELF.

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